News Release
SENATOR FOR THE 16TH DISTRICT
CAMERON BROWN

State Capitol | Lansing, Michigan 48913
PH (517) 373.5932 | FAX (517) 373.5944
www.senate.michigan.gov/gop/senator/brown/

FOR IMMEDIATE RELEASE Contact: Tony Hendon (517) 373-5932

Sen. Brown's "Claim It Correctly" Passes Senate

Measures to bring in new revenue to state and counties without raising taxes
Bills quickly move forward on way to becoming law

WEDNESDAY, June 17, 2003 – In a unanimous 36 to 0 vote, the Michigan Senate yesterday approved Senate Bill 520, sponsored by Sen. Cameron S. Brown, to close a real tax loophole and collect millions in lost revenue from unlawful homestead property exemptions.

Brown's bill to establish the *Principal Residence Assurance Program* is a major component of the Senate Republican proposal to balance the state's $38 billion budget without raising taxes.

"This is a fairness issue," Brown said. "With this legislation we are upholding the law, helping our schools, and being fair to all Michigan homeowners."

With the passage of Proposal A, Michigan residents are allowed to claim an exemption of 18 school mills (currently known as the *homestead exemption*) on their principal residence. Many out-state-residents who own vacation homes in Michigan, and many residents who own multiple homes in the state, have duplicate exemptions in violation of Michigan law, sometimes unknowingly.

Brown's bill would establish a program that would provide an incentive to allow counties and local units of government to be involved in the examination of principal residence exemptions. County treasurers, county equalization departments, and local assessors will be provided the option to participate in the qualification program.

An amnesty provision is included in the bill that would waive fines and penalties, and would expire Nov. 1, 2003.

If a unit of government chooses to participate, the Department of Treasury will provide the participating unit of government with lists of property owners with multiple exemptions. The revenue collected from resulting interest penalties would be distributed to Treasury, the county and the local unit using a 70%-20%-10% formula based upon who denied the exemption.

The program is expected to collect at least $40 million in its first year.

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